

LifeLines

information for your life

Winter 2009

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Your source for information: published quarterly; referenced daily



Last-Minute Tax Tips for 2009

Before the holidays heat up, now's a good time to make some moves that will save you money on taxes next April. Take some time to consider the following:

Plan your retirement contributions: Though you have until April 15th or your extension deadline next year to make IRA contributions for 2009, right now is a good time to find out if you can push 401(k) contributions to their regular and catch-up limits. Here are the basics:

- **401(k) contributions:** For tax year 2009, the regular contribution limit in a traditional 401(k) is \$16,500 and \$11,500 for a SIMPLE 401(k). For anyone who is age 50 or older in 2009, you can make an additional contribution of \$5,500 for a traditional 401(k) and an additional \$2,500 for a SIMPLE 401(k).
- **Traditional and Roth IRAs:** For tax year 2009, traditional and Roth IRA contributions are limited to \$5,000 for those under age 50; for those over 50 during 2009, the contribution limit is \$6,000. For Roth IRAs, keep in mind that if you are married and filing jointly with modified adjusted gross income (MAGI) of less than \$166,000, you can contribute up to the limit, BUT between \$166,000 and less than \$176,000, the limit is reduced. Those with MAGI over \$176,000 cannot contribute to a Roth. For single filers or married taxpayers filing separately, those reporting MAGI of less than \$105,000 can contribute up to the limit, BUT between \$105,000 and less than \$120,000, that contribution is reduced. Over MAGI of \$120,000, no contribution is allowed.

- **One planning note** – starting in 2010, anyone will be able to convert a traditional IRA into a Roth without income limitation.
- **SEP IRAs:** For SEP IRAs, the maximum contribution is \$49,000.

If you've been unemployed in 2009: Under the American Recovery and Reinvestment Act of 2009 (ARRA), the first \$2,400 of unemployment benefits an individual receives in 2009 are tax free. This provision applies only to benefits received in 2009. Normally, unemployment benefits are taxable.

Take advantage of the IRA charitable donation provision: If you're age 70 ½ or older, 2009 is the last scheduled year that you'll be allowed to direct your IRA trustee to make a tax-free direct transfer of up to \$100,000 from your IRA to a charitable organization.

Grab those green incentives: The ARRA also provides tax incentives for energy-efficient investments for the home. The new law increases the credit rate to 30 percent of the cost of all qualifying improvements and raises

the maximum credit limit to \$1,500 for improvements placed in service in 2009 and 2010. The credit applies to improvements such as adding insulation, energy-efficient exterior windows and energy-efficient heating and air conditioning systems.

If you suffered disaster damage: Severe storms and flooding this year designated many parts of the country eligible for tax relief. To check if your community has been designated, visit the Internal Revenue Service website at www.irs.gov.

If you're still looking for a car: You might have missed Cash for Clunkers, but the ARRA allows taxpayers to take a deduction for state and local sales and excise taxes paid on the purchase of new cars, light trucks, motor homes, and motorcycles on purchases made through December 31st. The deduction is limited to taxes and fees paid on up to \$49,500 of the purchase price of the eligible vehicle and reduced for joint filers with MAGI between \$250,000 and \$260,000 and other taxpayers with incomes between \$125,000 and \$135,000. Taxpayers with income exceeding these limits don't qualify.

Check investment gains and losses: If you have depreciated investments in your taxable investment accounts, see if it makes sense to sell and offset them against any capital gains you've realized this year. Also, keep in mind that if you are in the 10-15 percent income tax bracket, the current tax rate for long-term capital gains is zero percent and will stay there through 2010. If you have a capital loss carryover from 2008, you can use this to offset any capital gains you've realized this year too.



YOU CAN SAVE ON TAXES BY DEFERRING INCOME OR MAKING CHARITABLE DONATIONS.

Defer income if possible: Self-employed people and some business owners might elect to invoice customers in January so they don't have to include that income on their 2009 return. Keep in mind that it may only make sense to defer income if you think you will be in the same or lower tax bracket next year.

Make sure donations are documented: You must have either a receipt or a canceled check to back up any contribution, regardless of the amount, and you can't simply give away junk and state a "like new" value for it. If you don't have such a written record, the IRS will reject the write-off if the lack of proper record keeping is discovered in an audit. Also, you can write off out-of-pocket costs you incur while doing good works. Ingredients for casseroles you regularly prepare for a nonprofit organization's soup kitchen, for example, or the cost of stamps you buy for your school's fundraiser count as a charitable contribution.



MAKE THE Holidays YOUR OWN

Make the holidays your own by creating your own traditions.

So it's that time of year again. You take one look at the calendar and you're hit with pictures of perfect holidays. There are kids frolicking in the snow, big families laughing around a huge meal, and smitten couples exchanging gifts in front of the fireplace. The pressure is on to make the traditional holiday images come to life—or else!

But what about those people who aren't included in those snapshots? What if you are single, without little ones to decorate the Christmas tree or light menorah candles? More and more people are divorced and part of blended families who are dealing with multiple traditions in the same house. The truth is that lots of families today don't have a mom, a dad, and 2.5 Norman Rockwell children. And for many people, the pressure becomes too much. If you don't belong in a traditional holiday portrait you can still make the holidays your own by creating your own traditions.

Figure out what you want

Basically, holiday stress is caused by unrealistic expectations. In one word, stress is a *should*. During the holidays everyone, but particularly those people who don't live anywhere near "It's a Wonderful Life," can use a reminder to think about their own needs and desires for this time of year and not focus on what they've come to believe they should do.

Before the holidays, spend some time with yourself. Set aside a couple of days to examine what you're really looking for during the holidays. If you had it your way, how would you paint the picture? Are the holidays about extended family, or about solitude? Is this the time to explore

cultural roots and reconnect with religion, or a chance to reach out to strangers? Forget about what everyone else says or what your mother has always done, what do you want your holiday traditions to be?

Going it alone, or not

If you're single, you might look into doing volunteer work at a local soup kitchen, food bank or homeless shelter. Or maybe you want to do something totally self-indulgent. What's stopping you from spending a day relaxing at a spa, hiking or biking, or hopping on a plane and enjoying the holidays at the beach? Rely upon your family of friends who may have all sorts of interesting things planned.

Also, friends with kids are not off limits during the holidays. If you want to be around children, find the families in your circle who'll welcome a guest to a holiday meal, and then ask what you can contribute. Maybe you're helping them fulfill their tradition.

The holidays also tend to put extra pressure on new relationships, whether it's a new romance or a new family unit. Keep in mind that now is not the time to force things. Concentrate on what's truly at the core of the holidays for you and find ways to embrace that together. Have fun. Chances are the new people in your life will feel relief as well without having to rush into a situation loaded with expectations.



Blending a family means staying flexible

Blended families are faced with a particular challenge during the holidays. For kids and adults, thinking about celebrations past inevitably brings back memories, good and bad. It's important to talk about what each side of the family used to do, and what the new family can do now to make things special. Be flexible. It may be combining traditions or it may be starting fresh. Planning can get complicated if the holidays are divided between families, but kids often don't mind celebrating more than once—in a different way in each home—no matter what date the celebration happens to fall upon.

Make a list of no's

Just as important as your holiday wish list is pinning down what you don't want. Come up with a list of all the things that are not part of your ideal holiday, even if you may not be able to realistically eliminate them. Do you really want to deal with expensive gifts this year? Must you make an appearance at your neighbor's annual party? Do you have to invite your husband's ex-wife over for dinner? Include everything that makes you nervous just thinking about it. Call it a stress list.

Then practice saying "no." It may sound silly, but practice it in front of the mirror. You'll probably find out that it works remarkably well when the time comes. And if not, at least you spoke up.

Timing is everything

If you decide to shake your holidays up a bit you'll probably want to start planning early. Don't ambush your loved ones at the last minute by opting out of the family meal and announcing a solo trip to Mexico, or throw a new tradition at the kids on Christmas Eve. You may have shifted your outlook, but it could take some time for the rest of the world to join you.

Change isn't always easy, especially when people are bombarded with old-fashioned images of holidays past that probably were not ever quite real. But once you can let go of the unrealistic expectations, visualize what you need and take the holidays into your own hands, you are one step closer to having a stress-free season truly worth remembering.

HOW GREEN Are Your Travels?

**Planning a hotel stay during the winter break?
These tips can help you “green up” your travel.**



“Green” Hotels Association® is encouraging all travelers to green up their travel. The U. S. Travel Data Center estimates that 43 million US travelers are “ecologically concerned.” These travelers will be especially interested, but all travelers can take part in this important mission (the greening of the travel industry-whether away for business or pleasure.)

Managers of all businesses react and respond to requests of guests, customers and clients who voice their concerns. So, when you write a note or speak directly to management regarding our environment, you are casting a vote. You can write a note to the general manager of the hotel, to the captain of the airplane and to the manager of a tour company or cruise line with compliments or comments regarding their green program. Thank them for their green program if they have one. Or, ask why they don’t have a green program. As a paying customer, it is important that you let them know that you want them to lower water and energy usage and reduce solid waste-and

that you want to participate.

Hotels and airlines that have an environmental agenda deserve your patronization. Book your guestrooms and meeting rooms with hotels that are clearly interested in protecting our environment, and let management know that’s why you’ve chosen their hotel. “Green” Hotels Association® member hotels are encouraged to implement water-saving measures, execute energy-saving techniques and reduce solid waste. Rather than putting all these measures into effect “behind the doors”, GHA encourages all lodging accommodations to get guests and clients involved. Hotels can offer towel and sheet-changing options, soap and shampoo dispensers, guestroom recycling baskets and reduced food-related waste. Almost all guests realize that we need to help protect our favorite destinations. Those guests are more than willing to participate in a hotel’s green program. Visit GHA’s website at www.greenhotels.com for a list of participating hotels.

The following tips can help to make sure your hotel stay is a “green” one:

- Participate in hotel linen programs, or let the hotel know that it’s not necessary to change your sheets and towels every day.
- To keep track of which towel belongs to which family member, pack a handful of safety pins and small colored beads. Attach a pin and bead to each towel, using a designated color for each family member. Remove the pins before checkout.
- Reduce the amount of water used for bathing or showering.
- When you leave your hotel room, turn off the AC/heat, lights, TV and radio. Close the drapes.
- Participate in hotel recycling programs by placing recyclables in appropriate bins.
- Carry a dry cleaning or grocery bag with you in which to carry dirty laundry home.
- Leave little bottles of amenities in the guestroom if unopened.
- Pack a permanent marker and write each person’s name on the cups in the hotel bathroom. It’s also handy for writing names on water bottles and lots of other things.
- Keep bar soap wrappers and take used bars of soap home.
- Instead of leaving bathroom lights (and fans) on all night, it’s wise to pack night lights for hotel stays.
- If the hotel provides complimentary newspapers, pass yours on to someone else, or leave it in the lobby for another reader. Ask the hotel to see that it’s recycled.
- Be sure to turn off exercise equipment, sauna, whirlpool, Jacuzzi or tennis court lights when you’re through.
- Check out of the hotel via the hotel’s electronic program available on the TV in some hotels. You can view your bill, approve it, and help reduce paperwork.
- Environmental programs or events may be listed on “things to do in the area” portion of the in-house TV programming.



Disaster Supplies Kit

Is your family prepared for an emergency? Winter weather can make it difficult to get needed supplies and services so it is important to be prepared. At this, or any time of the year, your disaster supply kit should include the following items to create kits for use at home, the office, at school and/or in a vehicle:

- Water - three gallons for each person who would use the kit and an additional four gallons per person or pet for use if you are confined to your home
- Food - a three-day supply in the kit and at least an additional four-day supply per person or pet for use at home
- You may want to consider stocking a two-week supply of food and water in your home.
- Items for infants - including formula, diapers, bottles, pacifiers, powdered milk, and medications not requiring refrigeration
- Items for seniors, disabled persons or anyone with serious allergies - including special foods, denture items, extra eyeglasses, hearing aid batteries, prescription and non-prescription medications that are regularly used, inhalers, and other essential equipment
- Kitchen accessories - a manual can opener; mess kits or disposable cups, plates and utensils; utility knife; sugar and salt; aluminum foil and plastic wrap; re-sealable plastic bags
- A portable, battery-powered radio or television and extra, fresh batteries
- Several flashlights and extra, fresh batteries
- A first aid kit
- One complete change of clothing and footwear for each person - including sturdy work shoes or boots, raingear and other items adjusted for the season, such as hats and gloves, thermal underwear, sunglasses, dust masks

- Blankets or a sleeping bag for each person
- Sanitation and hygiene items - shampoo, deodorant, toothpaste, toothbrushes, comb and brush, lip balm, sunscreen, contact lenses and supplies, any medications regularly used, toilet paper, towelettes, soap, hand sanitizer, liquid detergent, feminine supplies, plastic garbage bags (heavy-duty) and ties (for personal sanitation uses), medium-sized plastic bucket with tight lid, disinfectant, household chlorine bleach
- Other essential items - paper, pencil, needles, thread, small A-B-C-type fire extinguisher, medicine dropper, whistle, emergency preparedness manual
- Entertainment - including games and books, favorite dolls and stuffed animals for small children
- A map of the area marked with places you could go and their telephone numbers
- An extra set of keys and IDs - including keys for cars and any properties owned and copies of driver's licenses, passports and work identification badges
- Cash and coins and copies of credit cards
- Copies of medical prescriptions
- Matches in a waterproof container
- A small tent, compass and shovel



Pack the items in easy-to-carry containers, label the containers clearly and store them where they would be easily accessible. Duffle bags, backpacks, and covered trash receptacles are good candidates for containers. In a disaster situation, you may need access to your disaster supplies kit quickly - whether you are sheltering at home or evacuating. Following a disaster, having the right supplies can help your household endure home confinement or evacuation.

Make sure the needs of everyone who would use the kit are covered, including infants, seniors and pets. It's good to involve whoever is going to use the kit, including children, in assembling it.



Living room

Resource and Referral

For help when you need it, count on your work-life service for free, confidential support any time, any day. Contact the consultants by phone, or log onto the website. Resources and referrals are available for matters related to work, family, relationships, caregiving, health, or any kind of support for your well-being—to help you make room for what matters most!



For assistance any time, call 800-236-7905, or log onto www.symmetryeap.org.